

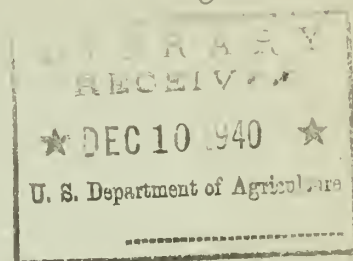
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UNITED STATES DEPARTMENT OF AGRICULTURE  
Office of Information

AND-4-40  
Dec. 6, 1940

Part I - STRICTLY CONFIDENTIAL

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AGRICULTURE AND NATIONAL DEFENSE

TOBACCO IN OCCUPIED CHINA DENIED FOREIGN FIRM: A large tobacco manufacturing plant owned by foreign interests has been advised by Japanese authorities that it could not purchase leaf tobacco from farmers since it had no place in the plan for the cooperative planting and marketing of tobacco being developed by the Japanese. The authorities advised that this action was in conformity with the policy to control all activities, including every form of agriculture, finance, manufacturing, transportation, and merchandising in the territories of China occupied by the Japanese.

HUNGARIAN WHEAT CROP SHORT; FALL PLANTING BELOW NORMAL: The 1940 wheat crop in Hungary is estimated at only 66,138,000 bushels compared with 113,102,000 bushels last year. A wheat shortage is expected by February at which time rationing will probably be introduced. The sowing of winter wheat this year, which normally constitutes 95 percent or more of the crop, will amount to only 60 to 70 percent of the normal. Among the reasons given are excessive moisture, floods, fears of Jewish land owners with respect to their tenure, reluctance on the part of peasants to cultivate rented land when they soon may become land owners themselves in view of the prospective break-up of large estates, and the increasing aversion of peasants to producing crops for Germany. In addition a shortage of seed for spring planting is admitted.



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AGRICULTURE AND NATIONAL DEFENSE

TEN ADDITIONAL USDA UNITS GET DEFENSE RATING: The U. S. Civil Service Commission has given defense rating to 10 additional USDA units. This brings to 15 the total of defense agencies within the USDA, including 13 bureaus and two units in two other bureaus. Defense agencies have priority rights in drawing on Civil Service lists and are permitted to draft personnel from other agencies, provided the individual concerned agrees. The new agencies are: Bureau of Agricultural Chemistry and Engineering, Forest Service, Bureau of Animal Industry, Office of Land Use Coordination, Agricultural Marketing Service, Bureau of Home Economics, Aerial Photographic Laboratory of AAA, Surplus Marketing Administration, Bureau of Agricultural Economics, and Office of the Secretary (including Offices of Extension Service, Experiment Stations, Information, and other agencies within the Secretary's office). The Commission had previously given defense ratings to Commodity Credit Corporation, Office of Foreign Agricultural Relations, Rural Electrification Administration, and Land Acquisition and Cartographic divisions of Soil Conservation Service.

NURSERIES STARTED TO SUPPLY SEED STOCKS FOR HIGH-YIELDING RUBBER STRAINS: Two hundred pounds of rubber tree seed have been air-expressed from Haiti to Brazil. Trees in Brazil won't produce seed for another two months. By flying the seed from Haiti, Department scientists now in Brazil can get their nursery started 2 months ahead of schedule, so that the seedlings will be ready earlier for budding the high yielding clones of rubber now in the Department's collection. This budded stock, in turn will have the opportunity to develop in Brazil and provide readily available bud wood for working into the following crop of seedling trees that come from the native Brazilian trees.

VIRGINIA COUNTIES PLAN FOR FUTURE IN DEFENSE HOUSING PROGRAM: Tying defense housing requirements into a pattern of future housing needs of farm lands and six towns in the immediate vicinity of the Radford powder plant, local planning committees and the Virginia State Land-Use Planning Committee have devised plans whereby all new houses to be erected for munitions workers will be located where they will be needed to meet expected normal population growth after four years, when the present emergency period might be expected to end.





Three counties--Montgomery, Pulaski, and Giles--and six towns--Radford, Dublin, Christianburg, Pulaski, Cambria, and Blacksburg--are affected by the plan, devised when the Defense Commission notified the State Land-Use Committee that about 1,000 new houses would have to be built to accommodate workers. The Commission gave residents of the district the privilege of deciding the home sites. A volunteer committee of 460 working under the direction of the State committee, found that many farms now lacking proper buildings were near enough to the Munitions plant to serve as sites for workers' dwellings. When no longer needed for defense, the houses may be used by the farmers' families. In a report to the Defense Commission the State committee recommended that about one-fifth of the houses be built on farms and the remainder to be divided between the six towns.

SMA WILL HELP ARMY TIME FOOD PURCHASES: Surplus Marketing Administration has agreed to cooperate with Army procurement headquarters in a three-fold plan proposed by the Defense Commission which will allow the Army to time its purchases in such a way that stability of produce markets will not be upset. SMA plans to recommend CCC loans to producers of certain foods, earmarking these portions of the nation's theoretical reserve stocks for later purchase by the Army when and if needed, and within SMA's ability to acquire and distribute these products. An example is the recent CCC loans on raisins when the raisin market needed support. The raisins are stored as security for producers' loans, ready to be sold to the Army upon request. SMA also will supply procurement headquarters with periodical reports, indicating market trends and specifying which products are in surplus at the time. As a third aid, SMA will cooperate in adjusting local market problems brought about by concentrated Army buying in cantonment regions. A present example is SMA's effort to adjust and stabilize fluid milk marketing conditions in the area affected by Army purchases near New Orleans.

SUMMARY OF FOREIGN DEVELOPMENTS: UNITED KINGDOM: The Tobacco Controller advised that the manufacturers' voluntary admixture scheme would probably not become effective before July 1, 1941, and that leaf supplies in the country were sufficient to last a long time. He stated also that no consideration had been given to formulating a policy on options taken on American leaf by British manufacturers. Reports indicate that the British Government has arranged a large monthly quota for imports of raw cotton from Brazil and that negotiations are under way for a similar agreement with Peru. Argentina is reported pressing for an annual cotton quota. Following announcement of no more refrigeration space for apples, apricots, grapes and bananas, the Food Ministry indicated that space for imported meats might also have to be curtailed. The Government has eight large storage plants under construction and intends to build 20 more at points away from ports. An organization is being set up to deal with acquisition of food reserves. The committee will consist of representatives of the various governmental departments.





CANADA: Four measures designed to conserve foreign exchange, particularly dollar exchange, for purchase of war materials has been presented to Parliament. The first measure prohibits imports from nonsterling countries of a long list of products including prepared cereals, certain processed and canned fruits and vegetables, preserved seafoods, manufactured tobacco, and spirits and wines. The second measure prohibits the importation of certain products except in limited quantities under license, and includes unmanufactured tobacco. The third measure imposes excise taxes to prevent an expansion in domestic production of items the importation of which is prohibited or restricted. The fourth measure either removes or reduces existing custom duties on imports from the United Kingdom, including cotton textiles, artificial silk, jellies, jams and marmalades, and soaps. The importation from the U.S. of fresh fruits and vegetables was not prohibited or limited.

NEWFOUNDLAND: Effective Dec. 1, a special war revenue tax of 7 1/2 percent was imposed on a long list of products imported from countries other than those in the British Commonwealth of Nations.

ITALY: Effective Dec. 2, the sale of alimentary pastes, flour and rice to private consumers is limited to an aggregate total of 4.4 pounds per person per month. Consumers were authorized to purchase their rations either entirely in one commodity or any combination of the three.

LATVIA, LITHUANIA, AND ESTONIA: The introduction of the Russian ruble as legal currency has resulted in a drastic upward revision of commodity prices. Indications are that the Russian Government wishes to bring the price level in those States into conformity with prices prevailing generally in the Soviet Union proper.

ARGENTINA: A canvass of shipping companies indicates that space has been booked for about 90,000 bales of wool for shipment to the United States during December and January.

URUGUAY: The wool market continues paralyzed because of lack of shipping space.

